

United States Bankruptcy Court  
District of North Dakota

In re:  
Drain Services Inc.  
Debtor

Case No. 23-30352-skH  
Chapter 11

## CERTIFICATE OF NOTICE

District/off: 0868-3  
Date Rcvd: Oct 23, 2023

User: admin  
Form ID: pdf2some

Page 1 of 2  
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Oct 25, 2023:

Recip ID	Recipient Name and Address
db	+ Drain Services Inc., 415 Main Ave E, Ste 691, West Fargo, ND 58078-5327

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.  
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

## BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

## NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Oct 25, 2023

Signature: /s/Gustava Winters

## CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on October 23, 2023 at the address(es) listed below:

Name	Email Address
Caren W. Stanley	on behalf of Creditor Tony Hamilton cstanley@vogellaw.com jnona@vogellaw.com;sthompson@vogellaw.com;kjohnson@vogellaw.com
John D. Schroeder	on behalf of Creditor Choice Financial Group jschroeder@northdakotalaw.net karensyrstad@northdakotalaw.net
John William Baker	on behalf of Creditor John W. Baker Atty U.S. Small Business Administration john.baker@sba.gov
Kent Rockstad	on behalf of Creditor USA/SBA Kent.Rockstad@usdoj.gov Margo.Kern@usdoj.gov;Amber.Ripplinger@usdoj.gov;usand.bankruptcyeast@usdoj.gov;CaseView.ECF@usdoj.gov
Kent Rockstad	on behalf of Creditor USA/SBA/IRS Kent.Rockstad@usdoj.gov Margo.Kern@usdoj.gov;Amber.Ripplinger@usdoj.gov;usand.bankruptcyeast@usdoj.gov;CaseView.ECF@usdoj.gov

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Kent Rockstad

on behalf of Creditor USA/IRS Kent.Rockstad@usdoj.gov  
Margo.Kern@usdoj.gov;Amber.Ripplinger@usdoj.gov;usand.bankruptcyeast@usdoj.gov;CaseView.ECF@usdoj.gov

Maurice VerStandig

on behalf of Debtor Drain Services Inc. mac@mbvesq.com  
mac@dakotabankruptcy.com;verstandig.mauricer104982@notify.bestcase.com;verstandiglaw@recap.email

Robert B. Raschke

USTPRegion12.SX.ECF@usdoj.gov

Sarah J. Wencil

on behalf of U.S. Trustee Robert B. Raschke sarah.j.wencil@usdoj.gov

Thomas Kapusta

tkapusta@aol.com

Tracy A. Kennedy

on behalf of Creditor Choice Financial Group tracykennedy@northdakotalaw.net brendadipersio@northdakotalaw.net

TOTAL: 11

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NORTH DAKOTA

In re:	)	Case No. 23-30352
	)	(Chapter 11 – Subchapter V)
DRAIN SERVICES INC.,	)	
	)	
Debtor.	)	
<hr/>		

**ORDER GRANTING DEBTOR'S MOTION FOR LEAVE TO USE CASH**  
**COLLATERAL ON INTERIM BASIS**

Debtor Drain Services Inc. filed a Motion for Leave to Use Cash Collateral. Doc. 8. Choice Financial Group filed an objection. On October 6, 2023, the Court held a preliminary hearing on the motion. A final hearing was scheduled for October 17, 2023, but, at the request of Debtor and by agreement of the parties, that hearing was treated as a second preliminary hearing. Based on the motion, exhibits and other evidence received during the October 6, 2023, and October 17, 2023, hearings, the Court finds that use of a limited sum of cash collateral during the interim period is necessary to avoid immediate and irreparable harm. More specifically, the relief provided in this Order is necessary to maintain Debtor's operations during the interim period. Accordingly, for the reasons stated on the record,

**IT IS ORDERED**

1. The Motion is GRANTED on an interim basis.
2. Consistent with the weekly budget proposed at the second interim hearing, Debtor is authorized to use not more than \$60,000.00 in cash collateral between October 17, 2023, and October 31, 2023.
3. As adequate protection for Debtor's use of cash collateral, the Court finds that equity in Debtor's property serves as adequate protection for the limited use of cash

collateral. Additionally, Debtor agreed to grant Choice Financial Group, the United States Small Business Administration and the Internal Revenue Service replacement liens on cash generated by Debtor during the course of its Chapter 11 case up to the full sum of the cash collateral Debtor uses. Accordingly, to the extent Debtor uses prepetition cash collateral in which Choice Financial Group, the United States Small Business Administration and/or the Internal Revenue Service hold a security interest, Debtor is authorized to grant these creditors replacement liens, pursuant to 11 U.S.C. § 552, in Debtor's post-petition cash of the same priority, dignity, and effect as the prepetition liens on the prepetition property; provided such replacement liens will not attach to avoidance actions or other actions under Chapter 5 of the Bankruptcy Code or any proceeds or recoveries from them. The liens and security interests granted shall be effective and perfected without further act by any party.

4. In addition to, and not in lieu of, the adequate protection provided for in the paragraph above, Debtor agreed to pay to Choice Financial Group (i) the sum of \$25,000.00, by the close of business on Friday, October 20, 2023; and (ii) the sum of \$10,000.00 on or before the 15<sup>th</sup> day of each successive calendar month until a plan of reorganization is confirmed; these payments will not count against the cash collateral limit noted above.

5. Every Friday, Debtor's proposed counsel (or counsel, if a pending employment application be granted) must send to counsel for (i) Choice Financial Group; (ii) the United States of America; (iii) the United States Trustee; and (iv) the Subchapter V Trustee, a digital print out of Debtor's bank activity for the subject week. Upon the request of any such counsel, Debtor must also provide such backup documentation as it

may have for any given transaction. Should the Debtor lack backup documentation for any transaction of a material nature, counsel for any of the parties listed above may ask Debtor to file a motion under Federal Rule of Bankruptcy Procedure 2004, to procure such documentation, and Debtor must file the motion, issue any resulting subpoena permitted by court order, and make good faith efforts to obtain such backup documentation.

The final hearing on this matter will be held on October 31, 2023, at 1:00 p.m. The deadline to object to final relief is October 27, 2023.

Dated: October 23, 2023.

A handwritten signature in black ink, appearing to read "Shon Hastings". The signature is written in a cursive, flowing style.

SHON HASTINGS, JUDGE  
UNITED STATES BANKRUPTCY COURT